

Equality of opportunity. A flexible framework

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Kanbur and Wagstaff (further: KW) criticize something they call the “equality of opportunity” (EOP)-approach. Yet, most of the points they make are accepted in that literature and what they propose as an alternative, is just a primitive version of it. Some of the confusion may have arisen because KW do not distinguish the different approaches within the EOP-world (for a discussion, see, e.g., Fleurbaey and Schokkaert, 2012), and mainly focus on the Roemer-inspired applications.

The formal EOP-framework is agnostic about the question of what sources of inequality are ethically legitimate (*responsibility*, control, effort) or illegitimate (*circumstance*, compensation). This is a matter of ethical debate and the formal EOP-framework can accommodate different views. I agree with KW that genetic endowments (talent) should not belong to the set of responsibility-variables. Yet, criticizing a specific EOP-application for the ethical choices that are made in it is completely irrelevant as a criticism on the formal EOP-framework as such.

This does not mean that it is always easy to make the partition between what is responsibility and what is circumstance. Apart from the fact that different people have different ethical views, there are two main issues. Both these issues are touched upon in the stories of KW, but the EOP-literature has discussed them in detail. First, the final outcome of interest (e.g. health) is always the result of different variables. If the effect of one variable (interpreted as circumstance) interacts with that of another (responsibility) variable, it is not possible to separate these effects in a simple way. Roemer has handled this problem by assuming that all variables which are correlated with circumstances should also be seen as circumstances. Another possibility is to distinguish between a “broad” and a “narrow” conception of responsibility, leading respectively to a measure of “direct unfairness” and of the “fairness gap” (Fleurbaey and Schokkaert, 2009). The empirical results of Garcia-Gomez et al. (2014) show that the distinction matters. In fact, they find a result that is suggested as a possibility by KW: when implementing the fairness gap, i.e. when interpreting all interaction effects as part of circumstance, almost all observed inequality is illegitimate. Of course, this finding is dependent on the specific application. Second, some authors have argued that it makes no sense to talk about “responsibility as control” in a deterministic view of the world. Yet, even then there may still be good reasons to hold people responsible for their preferences in a Rawlsian perspective where justice means giving all people equal real freedom to pursue their own life project (Fleurbaey and Schokkaert, 2012). Again, (implicitly or explicitly) criticizing the notion of “control”, is not a relevant criticism on the formal EOP-framework, since this is sufficiently flexible to accommodate the so-called “preference”-approach. Garcia-Gomez et al. (2014) present an, admittedly primitive, empirical application.

The treatment of luck raises additional tricky issues. Again, I fully agree with KW that the position that luck is part of the “responsibility”-vector is hard to defend from an ethical point of view. There is some theoretical literature on the treatment of luck within the EOP-approach (see, e.g., Lefranc et al., 2009). In empirical applications with a regression approach, luck will be taken up in the residual. However, the empirical residuals will not only capture elements of pure luck, but also measurement error in the dependent variable and, more importantly, the effects of omitted variables which may belong either to the “circumstance” or to the “responsibility” set. Fleurbaey and Schokkaert (2009) have therefore proposed to calculate two values for illegitimate inequality, one including and the

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other excluding the residual as an illegitimate source of inequality. They suggest that the results could then be interpreted as giving an upper and a lower bound to unfair inequality respectively.

This brings me to the most surprising part of the KW-editorial. As a constructive proposal, KW suggest that we should turn the EOP-approach upside down by focusing not on how much inequality is justifiable, but by giving policymakers a sense of how much inequality is unjustifiable. They are right in suggesting that this is the best approach. They are wrong, however, in suggesting that this requires turning the EOP-approach upside down. What they suggest as an alternative, is indeed the main inspiration of the EOP-approach. Roemer has emphasized in his empirical applications over and over again that these yielded a lower bound of unjustifiable inequality. Perhaps the confusion of KW originates in the fact that many authors compare overall inequality with “illegitimate” inequality, suggesting that the difference between the two is “legitimate” (and therefore “neutral” from an ethical point of view, not “good”, as KW seem to imply). If KW warn for a possible misinterpretation resulting from this way of presenting the results, I am at their side. Yet, together we are at the side of the EOP-literature.

When KW become more specific, however, they add to the confusion. At the end of their editorial, they propose to focus on socioeconomic differences in outcomes as an alternative to EOP. However, it is clear that this is not an alternative to EOP, it is just a special case of it, in which there is only one circumstance variable (socioeconomic status) and all other variables (including luck and genetic endowments) are implicitly treated as part of responsibility (for more formal analysis of this, see Fleurbaey and Schokkaert 2009, 2012). It is difficult to square this proposal with their criticism on the treatment of talent and luck by de Barros et al. (2009). It may be useful to measure socioeconomic inequality and to see it as a lower bound on overall illegitimate inequality. (Yet it may only be a small portion of it – see the empirical findings of Garcia-Gomez et al., 2014). And it is undoubtedly important to eliminate as much as possible these socioeconomic inequalities. However, from an egalitarian point of view, inequalities due to differences in genetic endowments or in luck, are equally worrying – and the health consequences of different genetic endowments and of bad luck can also be tackled by policy. Interpreted correctly, EOP-theories try to go beyond socioeconomic inequalities to also include these other sources of injustice. And, for an egalitarian, what’s not to like about that?

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